

THIRD DIVISION

[G.R. No. 154185, November 22, 2005]

AMELIA J. DELOS SANTOS, PETITIONER, VS. JEBSEN MARITIME, INC., RESPONDENT.

D E C I S I O N

GARCIA, J.:

Petitioner Amelia J. Delos Santos seeks in this petition for review on *certiorari* under Rule 45 of the Rules of Court to nullify and set aside the decision and resolution dated 21 March 2002^[1] and 03 July 2002^[2], respectively, of the Court of Appeals in CA-G.R. SP No. 62229.

From the petition and its annexes, the respondent's comment thereto, and the parties' respective memoranda, the Court gathers the following factual antecedents:

On 10 August 1995, or thereabout, herein respondent Jebesen Maritime, Inc., for and in behalf of Aboitiz Shipping Co. (Aboitiz Shipping, for short), hired petitioner's husband, Gil R. Delos Santos (hereinafter, Delos Santos) as third engineer of MV *Wild Iris*. The corresponding contract of employment, as approved by the Philippine Overseas Employment Administration (POEA), was for a fixed period of one (1) month and for a specific undertaking of conducting said vessel to and from Japan. It quoted Delos Santos' basic monthly salary and other monetary benefits in US currency. Under POEA rules, all employers and principals are required to adopt the POEA - standard employment contract (POEA-SEC) without prejudice to their adoption of terms and conditions over and above the minimum prescribed by that agency.^[3]

On the vessel's return to the Philippines a month after, Delos Santos remained on board, respondent having opted to retain his services while the vessel underwent repairs in Cebu. After its repair, *MV Wild Iris*, this time renamed/registered as *MV Super RoRo 100*, sailed within domestic waters, having been meanwhile issued by the Maritime Industry Authority a Certificate of Vessel Registry and a permit to engage in coastwise trade on the Manila-Cebu-Manila-Zamboanga-General Santos-Manila route.^[4] During this period of employment, Delos Santos was paid by and received from respondent his salary in Philippine peso thru a payroll-deposit arrangement with the Philippine Commercial & Industrial Bank.^[5]

Some five months into the vessel's inter-island voyages, Delos Santos experienced episodes of chest pain, numbness and body weakness which eventually left him temporarily paralyzed. On 17 February 1996, he was brought to the *Manila Doctor's Hospital* – a duly accredited hospital of respondent – where he underwent a spinal column operation. Respondent shouldered all operation-related expenses, inclusive of his post operation confinement.

As narrated in the assailed decision of the Court of Appeals, the following events next transpired:

1. After his discharge from the Manila Doctor's, Delos Santos was made to undergo physical therapy sessions at the same hospital, which compelled the Batangas-based Delos Santos to rent a room near the hospital at P3,000.00 a month;
2. Delos Santos underwent a second spinal operation at the non-accredited *Lourdes Hospital* at the cost of P119, 536.00; and
3. After *Lourdes*, Delos Santos was confined in a clinic in San Juan, Batangas where P20,000.00 in hospitalization expenses was incurred.

It would appear that the spouses Delos Santos paid all the expenses attendant the second spinal operation as well as for the subsequent medical treatment. Petitioner's demand for reimbursement of these expenses was rejected by respondent for the reason that all the sickness benefits of Delos Santos under the Social Security System (SSS) Law had already been paid.

Thus, on 25 January 1997, petitioner filed a complaint^[6] with the Arbitration Branch of the National Labor Relations Commission (NLRC) against respondent and Aboitiz Shipping for recovery of disability benefits, and sick wage allowance and reimbursement of hospital and medical expenses. She also sought payment of moral damages and attorney's fees.

After due proceedings, the labor arbiter rendered, on 08 January 1999,^[7] judgment finding for petitioner and ordering respondent and Aboitiz Shipping to jointly and severally pay the former the following:

- (1) P119,536.01, representing reimbursement of medical, surgical and hospital expenses;
- (2) P9,000, representing reasonable cost of board and lodging;
- (3) P500,000, representing moral damages;
- (4) US\$60,000, representing disability benefits corresponding to Total Permanent Disability;
- (5) US\$2,452, representing Sick Wage allowance;
- (6) P62,853.60, representing attorney's fees; and,
- (7) US\$6,245.20, also representing attorney's fees.

On appeal, the NLRC, in a decision^[8] dated 29 August 2000, modified that of the labor arbiter, as follows:

WHEREFORE, the decision appealed from is MODIFIED to the extent that respondents Jebesen Maritime, Inc., and Aboitiz Shipping Company are hereby ordered jointly and severally liable to pay Gil delos Santos

through Amelia delos Santos the Philippine peso equivalent at the time of actual payment of US DOLLARS SIXTY THOUSAND (US\$60,000.00) and US DOLLARS TWO THOUSAND FOUR HUNDRED (*sic*) FIFTY TWO (US\$2,452.00) representing total disability compensation benefits and sickness wages, and the amount of ONE HUNDRED THREE THOUSAND EIGHT (*sic*) HUNDRED FOUR AND 87/100 PHILIPPINE PESOS (P103,804.87) representing reimbursement of surgical, medical and hospital expenses, plus the equivalent of five percent (5%) of the aggregate award as and for attorney's fees.

All other dispositions are SET ASIDE.

SO ORDERED.

Like the labor arbiter, the NLRC predicated its ruling mainly on the theory that the POEA-approved contract of employment continued to govern Delos Santos' employment when he contracted his illness. In specific terms, the NLRC states that the same contract was still effective when Delos Santos fell ill, thus entitling him to the payment of disability and like benefits provided in and required under the POEA-SEC.

Following the denial of its motion for reconsideration per NLRC Resolution^[9] of 31 October 2000, respondent went to the Court of Appeals on a petition for *certiorari*, thereat docketed as *CA-G.R. No. 62229*, imputing on the NLRC grave abuse of discretion. In its petition, respondent scored the NLRC for, among other things, extending the application of the expired POEA-approved employment contract beyond the one-month limit stipulated therein.

On 21 March 2002, the Court of Appeals rendered judgment^[10], modifying the NLRC's decision by deleting altogether the award of disability compensation benefits, sickness wages and attorney's fees, thus:

WHEREFORE, premises considered, the instant petition for certiorari is hereby DENIED, finding no grave abuse of discretion on the part of the NLRC. The Decision of the National Labor Relations Commission (NLRC) dated August 29, 2000 and the Resolution of October 31, 2000 denying petitioner's Motion for Reconsideration are hereby AFFIRMED with MODIFICATION, that the disability compensation benefits of US\$60,000.00 and the sickness wages of US\$2,452.00 are hereby deleted, without prejudice to claiming the same from the proper government agency. The award of attorney's fees is likewise deleted.

In time, petitioner moved for reconsideration, but the appellate court denied the motion per its resolution of 03 July 2002.^[11]

Hence, petitioner's present recourse on the grounds that the Court of Appeals seriously erred.^[12]

POEA STANDARD EMPLOYMENT CONTRACT.

(A) PRIOR TO HIS ACCIDENT, THE EMPLOYMENT CONTRACT OF SEAFARER DELOS SANTOS HAS NOT YET BEEN TERMINATED, IN RELATION TO SECTION 2, PARAGRAPHS (A) AND (B) AND SECTION 18 (A), POEA STANDARD EMPLOYMENT CONTRACT.

(B) THE CONTRACT OF EMPLOYMENT AT THE TIME OF SEAFARER DELOS SANTOS' ACCIDENT HAS NOT YET EXPIRED BECAUSE IT WAS MUTUALLY EXTENDED BY THE PARTIES WHEN DELOS SANTOS WAS NOT SIGNED OFF AND REPATRIATED PRIOR TO SAID ACCIDENT.

II

IN CONCLUDING THAT NOTWITHSTANDING THE CONTINUATION OF DELOS SANTOS' EMPLOYMENT ON BOARD THE SAME VESSEL AND UNDER THE SAME CONTRACT, IT IS THE PROVISIONS OF THE LABOR CODE, AS AMENDED, THAT SHALL GOVERN HIS EMPLOYMENT RELATIONS.

III

IN DELETING THE AWARD OF SICKNESS ALLOWANCE IN THE AMOUNT OF US\$2,452.00.

(A) THERE IS NO BASIS IN THE DELETION OF THE AWARD OF SICKNESS ALLOWANCE (*sic*) SINCE PAYMENT OF SOCIAL SECURITY SYSTEM SICK LEAVE BENEFIT IS INDEPENDENT, SEPARATE AND DISTINCT FROM THE SICKNESS ALLOWANCE PROVIDED FOR UNDER THE POEA STANDARD EMPLOYMENT CONTRACT.

The petition is devoid of merit.

As a rule, stipulations in an employment contract not contrary to statutes, public policy, public order or morals have the force of law between the contracting parties.

[13] An employment with a period is generally valid, unless the term was purposely intended to circumvent the employee's right to his security of tenure.[14] Absent a covering specific agreement and unless otherwise provided by law, the terms and conditions of employment of all employees in the private sector shall be governed by the Labor Code[15] and such rules and regulations as may be issued by the Department of Labor and Employment and such agencies charged with the administration and enforcement of the Code.

The differing conclusions arrived at by the NLRC, finding for the herein petitioner, and the Court of Appeals, siding in part with the herein respondent, on Delos Santos' entitlement to disability benefits and sickness allowance are veritably attributable to the question of applicability, under the premises, of the POEA-SEC. The principal issue to be resolved here, therefore, boils down to: which, between the POEA-SEC and the Labor Code, governs the employer-employee relationship between Delos Santos and respondent after MV *Wild Iris*, as later renamed *Super RoRo 100*, returned to the country from its one-month conduction voyage to and